mittee have also referred to 6 other Central Excise cases relating to M/s. R.I.L.

Brief particulars of these seven Central Excise cases, and the action taken in respect of stay orders, their adjudication and realisation of duty amounts, are given in the Annexure. [*See* Appendix 170, annexure No. 108].

(c) and (d) Stay orders issued by the Bombay High Court in respect of cases at Serial Nos. 3, 4 and 7, mentioned in the Statement, were got vacated in February, 1993. As regards the stay granted by CEGAT against enforcement of the Collector's order dated 25-5-93, in the case at Serial No. 3 of the Statement, steps are being taken to move the CEGAT for early hearing.

(e) In view of (c) and (d) above, the question does not arise.

Duty on coated paper

*509. SHRI SARADA MOHANTY :
SHRI CHIMANBHAI MEHTA :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that duty on coated paper produced by independent coating units is 20 per cent;

(b) whether it is also a fact that duty on coated paper produced by paper mills having pulp, paper and coating units in the same premises central excise is paid @ 15 per cent and 10 per cent;

(c) whether it is a fact that independent coating units' finished products become costlier by 16 per cent to 26 per cent as they have to pay CST, octroi/freight, handling charges, intermediate commissions, etc., and

(d) whether it is a fact that in such a situation independent coating units cannot survive against mills having coating facilities in their premises and not paying intermediate taxes and charges ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Yes, Sir, Coated paper manufactured by large independent units attracts excise duty at 20% *ad valorem*. However, lower duty of Nil, 10% or 15% under the general SSI scheme is available to eligible independent manufacturers of coated paper.

(b) Coated paper manufactured by paper mills having pulp, paper and coating units in the same premises where the pulp is composed of conventional raw materials (hard wood, soft wood, certain reeds and used) attracts excise duty of 20% *ad valorem*. Concessional rates of excise duty of 5%, 10%, or 15% are also available to paper units using at least 50 per cent of unconventional raw materials depending, *inter alia*, on the per centage of unconventional raw material in the pulp used and/or quantum of clearances made in a financial year.

(c) and (d) The price of coated paper made by independent coating units depends upon a number of factors including excise duty, sales tax, handling charges, freight, etc. For a small coating unit with a turnover of Rs. 30 lakhs there would be no increase in price on account of excise duty as such units are exempted. Units with turnover upto Rs. 75 lakhs will have to pay excise duty at 10% or 15%, but they will be eligible for Modvat credit of duty paid on paper used by them. Larger units will have to pay duty at 20%. The cost of coated paper made by an integrated unit also depends on various factors like excise duty, sales tax, handling charges, freight, etc. Paper, like other finished goods, when cleared from a unit, attracts sales tax, octroi and other taxes and bears handling charges, freight, intermediate commission, etc. which vary depending, *inter alia*, on the policy of the state/local government, the location of the units concerned and the marketing pattern. Even for a units required to pay excise duty of 20% on coated paper, because of the input duty credit under Modvat which will now be available, it is not possible to specify as to what would be the extra burden on account of this excise duty. In view of all these variable factors, it is not possible to quantify the cost increase of the finished coated paper manufactured by independent units and paper mills and to indicate whether independent coating units will be suffering either an overall price disadvantage or will not be able to survive *vis-a-vis* paper mills making coated paper.

लघु बैंकों को खोला जाना

*510. श्री गोपाल सिंह जी सोलंकी : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :